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ATTN PARIS FOR JACK MARESCA

E.O. 11652: N/A

TAGS: SOPN, XC, US

SUBJECT: JUNE 21 EA PRESS SUMMARY

1. VIETNAM

NYT'S CHARLTON REPORTS SRV HAS INFORMED SENATE SUBCMTE THAT IT WILL ALLOW SMALL GROUP 25 WOMEN/CHILDREN WHO ARE AMC,TS OR SPOUSES OF AMCITS TO JOIN RELATIVES IN US. SAYS GESTURE MAY BE SEEN AS SIGNAL OF RENEWED WILLINGNESS TO CONTINUE NEGOTS ON NORMALIZATION/OTHER ISSUES. GLOBE'S UNCLASSIFIED

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WERMIEL ADDS DECISION ANNOUNCED IN CABLE TO SEN KENNEDY WHOSE AIDES MET W/VN OFFICIALS IN PARIS IN MAY.

SNEPP CASE JUDGE OREN LEWIS REFUSES ALLOW JURY TRIAL AFTER OPENING PROCEEDINGS W/WARNING THAT "NOBODY HAS GOT A RIGHT TO DIVULGE CLASSIFIED INFORMATION." DENIED JURY, ON GROUNDS NO FACTUAL DISPUTES TO BE DECIDED. WAIVED ASIDE DEFENSE ARGUMENTS THAT FIRST AMENDMENT RIGHTS INVOLVED, SAYING: "THIS CASE IS LIMITED TO WHETHER THE CIA HAS THE LEGAL RIGHT TO ENJOIN THIS MAN FROM DOING WHAT HE

ACKNOWLEDGES HE HAS DONE." ADDED, "I AM NOT GOING TO PERMIT HIM TO BURY THE TERMS OF THIS CONTRACT" (UPI, NYT). IN FRONT PG STORY, WP'S BARBASH ADDS JUDGE SOMETIMES SHOUTED DISAPPROVAL OF DEFENSE ARGUMENTS, ATTACKED CENTRAL

DEFENSE PROPOSITION THAT SECRECY AGREEMENT ONLY APPLIED TO REVELATIONS OF CLASSIFIED MATERIAL. BARBASH NOTES JUDGE LEWIS HAS REPUTATION FOR OCCASIONAL OPINIONATED/ABRASIVE INTERJECTIONS IN COURSE OF TRIALS.

UN WORLD FOOD PROGRAM PLANS TO SEND VN 2.4 MIL DOLS IN FOOD AID BECAUSE PLANT DISEASE/PESTS HAVE HURT RICE CROP (CSM).

2. VIETNAM/CHINA

REUTER'S MACKENZIE (PEKING) REPORTS PRC SAYS 3 CONSULATES CLOSED IN CHINA "ON BASIS OF RECIPROCITY," SINCE SRV REFUSED ALLOW PRC OPEN 3 CONSULATES IT HAD REQUESTED IN VN. MACKENZIE NOTES HANOI DENOUNCED MOVE AS "ANOTHER EXTREMELY SERIOUS ACT OF THE CHINESE SIDE IN THE RELATIONS BETWEEN THE TWO COUNTRIES" (6/20).

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NYT'S BUTTERFIELD (HK) CITES SRV STATEMENT THAT CLOSINGS PART OF PEKING'S "DISASTROUS POLICY" THAT INCLUDES SUPPORT FOR CAMBODIA IN ITS BORDER WAR W/VN. QUOTES HK ANALYSTS THAT SUBSTANTIAL FLEET OF CHINESE VESSELS OPERATING IN TONKIN GULF LAST WK BETWN HAINAN ISLAND/VN COAST. ANALYSTS SAY UNCLEAR WHETHER FLEET CONSISTED ONLY OF FISHING BOATS OR NAVY SHIPS, BUT HANOI REACTED AS IF THEY WERE MILITARY FORCE. BUTTERFIELD NOTES SOME DIPLOMATS APPREHENSIVE FOR 1ST TIME OF POSSIBILITY OF ARMED CLASH.

VN ALSO REPORTED HAVE CHARGED PEKING W/TRYING DESTROY RELS (WP).

REUTER (HK) NOTES VN NEWS AGENCY STATEMENT THAT HUNDREDS OF "CAPITALIST FAMILIES" HAVE LEFT HO CHI MINH CITY FOR PROVINCES AS PART OF GOVT MOVE TO "TRANSFER CAPITALISTS TO THE PRODUCTIVE SECTOR" FOLLOWING BAN ON PRIVATE TRADING.

NYT (TAIPEI) REPORTS GROC, ALARMED OVER DETERIORATING SITUATION OF CHINESE COMMUNITIES IN VN, HAS DECIDED SPEED UP EVACUATION OF REMAINING 1500 ETHNIC CHINESE IN HCM CITY WHO HAVE RECEIVED TAIWAN ENTRY PERMITS. PLANS EVACUATE THEM BEFORE END OF AUG THRU FLIGHTS ARRANGED BY ICRC. NYT NOTES TAIPEI HAS REMAINED RELATIVELY QUIET ON SUBJECT OF HANOI'S TREATMENT OF CHINESE IN VN; CITES

KNOWLEDGEABLE SOURCES THAT IMPORTANT REASON IS TAIPEI'S INABILITY ABSORB LARGE NUMBER REFUGEES FOR SECURITY/POPULATION CONSIDERATIONS.

3. CHINA

CANADIAN WHEAT BOARD SAYS IT WILL SELL PRC 110 MIL BUSHELS WHEAT BETWN SEPT-AUG '79. ANNOUNCEMENT DID NOT STATE PRICE, BUT SAID 25 PCT OF PAYMENT WOULD BE IN CASH WHEN UNCLASSIFIED

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EACH SHIP LOADED/BALANCE W/INTEREST WOULD BE PAYABLE IN 18 MONTHS (WP; AP, NYDN; REUTER, CHITRIB).

HENRY FORD 2ND MET TUES W/TENG HSIAO-PING, NCNA REPORTS. SAYS FORD HEADED "PARTY OF TOURISTS" FROM US, AND TENG HAD "FRIENDLY CONVERSATION" WITH THEM (AP, NYDN TOKYO; UPI. JOC HK).

CHRMN HUA TUES OPENED LARGEST FINANCE/TRADE CONF SINCE COUNTRY'S FOUNDING, NCNA REPORTS. SAYS SOME 5,000 DELS GATHERED IN GREAT HALL FOR MEETING HELD IN ACCORDANCE W/5TH NPC DECISION TO MODERNIZE AGRIC/INDUSTRY/SCIENCE/TECHNOLOGY/NATL DEFENSE BY END OF CENTURY (UPI, JOC HK). REUTER (PEKING 6/20) CITES LI HSIEN-NIEN'S TUES ADDRESS TO CONF CALLING FOR MOBILIZATION OF POPULATION TO TRANSFORM COUNTRY INTO POWERFUL/MODERN SOCIALIST STATE. "PD" SAID TUES THAT PRC IS PREPARED IMPORT ADVANCED TECHNOLOGY AND SO STIMULATE FON TRADE GROWTH. COMMENTING ON LI'S ADDRESS, PAPER SAID MORE TRADE BETWN CHINA AND OTHER COUNTRIES WILL NOT ONLY HELP SERVE NEEDS OF COUNTRY'S PRODUCTION/CONSTRUCTION, BUT WILL ALSO BENEFIT INTERNAL MRKT/PEOPLE'S LIFE.

ACCORDING NCNA, PLA HAS ORDERED REINSTATEMENT OF SPORTS GUIDANCE COMMISSIONS TO PRODUCE FIT SOLDIERS (REUTER HK, 6/20).

SOVIET-BLOC DIPLOS SAT THRU SLASHING ATTACK ON MOSCOW AT PEKING STATE BANQUET FOR LIBERIAN PRES TUES NIGHT, BUT WALKED OUT WHEN LI SLAMMED CUBA (REUTER, SUN PEKING, GLOBE).

REUTER CITES E BERLIN DIPLO SOURCES THAT HUA KUO-FENG WILL UNCLASSIFIED

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VISIT YUGOSLAVIA/ROMANIA THIS FALL.

STATE-RUN TAIWAN FERTILIZER FIRM WILL PRODUCE 1.36 MIL METRIC TONS OF CHEMICAL FERTILIZERS IN FISCAL '79 STARTING

7/1/78--130,000-METRIC-TON INCREASE OVER FISCAL '78, TFC PRES HUANG SAID TUES (JOC).

4. CHINA/THAILAND

ACCORDING THAI COMMERCE MINISTER, PRC HAS SIGNED AGREEMENT TO BUY 430 MIL BAHT WORTH OF THAI PRODUCTS. PRC ALSO BUYING 50,000 METRIC TONS OF RUBBER, BUT AGREEMENT WILL BE SIGNED LATER AFTER HK NEGOTS (JOC).

5. KOREA

REUTER (6/20) REPORTS SFRC TUES APPROVED NOMINATION EA'S GLEYSTEEN AS US AMB TO KOREA.

REUTER (SEOUL) NOTES DEPARTURE OF AMB SNEIDER WED AFTER 4-YR TOUR.

WSTAR'S SARRO QUOTES TONGSUN PARK STATEMENT TO SEN ETHICS CMTE THAT HE CONCENTRATED HIS POL EFFORTS ON HOUSE. SARRO SAYS CMTE INDICATED PROBE TENDED SUPPORT PARK'S TESTIMONY THAT HE DID NOT GIVE ANY SENATORS HUGE PAYMENTS SIMILAR TO THOSE ALLEGEDLY GIVEN SOME REPS. NOTES PARK SAYS HE WILL TRY FOR COMEBACK "MAYBE AFTER A YR OR SO." SAYS NONE OF INSTANCES REPORTED BY SEN CMTE APPEARS INVOLVE BRIBERY OR INFLUENCE BUYING, AS IN CASE OF SOME CONGRESSMEN; BUT VARIOUS ACTIVITIES DESCRIBABLE AS IMPROPER, OR RESULT OF BAD JUDGMENT OR INNOCENT INVOLVEMENT. ONLY EXCEPTION, SEN MCCLELLAN WHO ILLEGALLY FAILED REPORT THOUSAND DOL CONTRIBUTION (6/20).

WP CARRIES LAT REPORT THAT SPEAKER O'NEILL TRIED BLOCK UNCLASSIFIED

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PUBLICATION TWO "DOONESBURY" CARTOONS CRITICAL OF HIM-INCLUDING ONE WHICH FEATURED CLIP-OUT COUPON TO BE SENT O'NEILL REGISTERING CONCERN OVER "6000 DOLS IN PARTIES" SPENT BY PARK FOR SPKR. CARTOON TRIGGERED OVER 200 LTRS.

TWO DOCTORS FROM LA STATE U MEDICAL CENTER--CO-AUTHORS OF BOOK ON MENTAL EXAMS--DISAGREE SHARPLY OVER FITNESS OF FORMER REP OTTO PASSMAN TO STAND TRIAL ON TAX EVASION/BRIBERY CHARGES STEMMING FROM ASSOCIATION W/TONGSUN PARK (UPI, WP).

6. JAPAN

REUTER REPORTS SIGNING OF AGREEMENT FOR JAPANESE PURCHASE OF 100 F-15S/45 P-3C SUBMARINE PATROL PLANES WORTH TWO BIL DOLS WITNESSED TUES BY SECDEF BROWN/JAPANESE DEFMIN KANEMARU. PLANES WILL BE ASSEMBLED IN JAPAN. KANEMARU IN US FOR TWO-WK VISIT TO MEET W/US OFFICIALS/TOUR MIL INSTAL-

LATIONS. VISIT DESCRIBED BY US AS INFORMAL/PART OF PREPARATION FOR ANNUAL US-JAPAN MIL CONSULTATIONS TO BE HELD IN

TOKYO LATER THIS YR.

REUTER (TOKYO) QUOTES US OFFICIALS THAT CONGRESS LIKELY TAKE LEGISLATIVE ACTION THIS FALL IF US-JAPANESE TRADE NOT SEEN AS MOVING TOWARD BALANCE. STORY ALSO NOTES US IS PRESSING JAPAN TO AGREE TO LOW-COST AIR FARES ACROSS N PAC (CSM).

CULLISON (JOC) SAYS MITI LIKELY TO PROPOSE INCREASE IN SPENDING ON EMERGENCY IMPORT PROGRAM FROM BIL DOLS TO CLOSE TO TEN BIL BY END OF MAR '79.

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JOC (TOKYO) REPORTS JAL ADMITS HAVING SERIOUS PROBLEMS W/CARGO HANDLING AT NARITA, BUT CLAIMS "WORST IS OVER." PROBLEMS AROSE FROM NEW COMPUTERIZED CARGO HANDLING SYSTEM.

7. PHILIPPINES

MARCOS SAID WEDS THAT GOP HAS APPOINTED US LAWYER TO HELP BRING CHARGES AGAINST NYC POLICE OFFICERS INVOLVED IN 6/11 PHILIPPINE CENTER INCIDENT. PRES SAID ON NATIONWIDE TV THAT HE HAS ISSUED ORDERS THAT INCIDENT SHOULD BE BROUGHT TO PROPER COURTS "WHATEVER THE AMERICAN GOVT MAY OFFICIALLY DO." BESIDES MARCOS' DISCLOSURE THAT HE WOULD RECEIVE CONFIDENTIAL REPORT AS BASIS FOR LEGAL ACTION AGAINST POLICE, REUTER (MANILA) REPORTS ROMULO SAID US HAS NOT YET APOLOGIZED OVER AFFAIR--THAT AFTER STUDYING DOS REPLY WHICH PHILS HAD DEMANDED LAST WK, HE CONCLUDES "WHAT THEY HAVE GIVEN US IS A STATEMENT THAT THEY REGRET THE INCIDENT. THERE IS NO APOLOGY."

ACCORDING MARCOS, NY LAWYER WILL TAKE SWORN STATEMENTS FROM ALL WITNESSES/SEND THEM, TOGETHER W/CONFIDENTIAL REPORT, TO MANILA THURS. FORMER VICE PRES PELAEZ QUOTE" ON NATL RADIO/TV WEDS NIGHT AS SAYING: "WE ARE NOT INTERESTED IN REGRETS. THERE IS A WIDE DIFFERENCE BETWEEN REGRETS AND AN APOLOGY. WE ARE STILL EXPECTING AN APOLOGY."

8. PACIFIC ISLANDS

DOI'S DIRECTOR FOR TERRITORIAL AFFAIRS RUTH VAN CLEVE TOLD HOUSE MONDAY THAT PLANS ARE UNDERWAY TO MOVE BIKINIANS OFF THEIR RADIOACTIVELY CONTAMINATED ISLAND. ONE HUNDRED THIRTY-NINE RESIDENTS WILL BE TRANSPORTED TO KILI, ANOTHER ISLAND IN MARSHALL ISLS CHAIN. VAN CLEVE SAID

ADDITIONAL HOUSING/OTHER FACILITIES BEING BUILT/SCHEDULED UNCLASSIFIED

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FOR COMPLETION IN ABOUT MONTH (WSTAR 6/20).

IN LENGTHY FEATURE ARTICLE, WSJ'S NEWMAN SUGGESTS BRUNEI IS EA'S WEALTHIEST COUNTRY, SOMEWHAT AKIN TO MIDDLE EASTERN OIL SHIEKDOM, AND SOMEWHAT RELUCTANT TO SHED ITS TIES W/BRITAIN, WHOSE NEPALESE GURKHA TROOPS ARE SEEN AS PROTECTORS OF BRUNEI'S CONTINUED SURVIVAL.

9. AUSTRALIA

BHP, AUSTRALIA'S LARGEST INDUSTRIAL CO AND SOLE STEELMAKER, INCREASED PRODUCTION IN MAY BY 8.4 PCT OVER SAME MONTH LAST YR LIFTING TOTAL PRODUCTION FOR YR (JUNE TO MAY) TO 7.4 MIL METRIC TONS--ONLY 104,000 METRIC TONS LESS THAN LAST YR DESPITE DEPRESSED MRKT/STRIKES (JOC).

COMMENT AND ANALYSIS

10. CHINA

UPI (TOKYO) SAYS WANG YAO-TING, PRES OF "CHINA COUNCIL FOR PROMOTION OF INTL TRADE," REPORTEDLY TOLD DEL OF NYC BUSINESSMEN IN PEKING THAT "CHINA IS GRATEFUL AND APPRECIATIVE" OF NYC MAYOR KOCHE'S BID TO EXCHANGE MAJOR EXHIBITS BETWN NYC/PEKING. PROPOSAL, SPONSORED BY CARTER ADMIN, WAS EXTENDED TO WANG BY KOCH THRU DEL. ON GROUP'S RETURN FROM PRC, NY BOARD OF TRADE PRES GILBERT ROBINSON SAID WANG PROMISED TO GIVE SERIOUS CONSIDERATION TO INCREASING TRADE W/NYC. IN INTERVIEW, ROBINSON ALSO SAID HIS CHINESE COUNTERPART MENTIONED FROZEN ASSETS PROBLEM, BUT PREDICTED IT WOULD BE SOLVED IN NEAR FUTURE. "THIS COULD BE A STEP TOWARD FULL NORMALIZATION," IN ROBINSON'S VIEW. ROBINSON ALSO PROPOSED THAT WANG STUDY POSSIBILITY UNCLASSIFIED

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OF OPENING NYC OFFICES OF BANK OF CHINA/CCPIT; SAID WANG AGREED DO SO (NYDN, NYT).

ACCORDING ROBINSON, DEL TOLD CHINESE SINCE NY IS US "BUSINESS COMMUNICATIONS CAPITAL," WOULD BE "MORE SIGNIFICANT FOR THEM" TO PUT THESE OFFICES THERE/HOLD SPECIALIZED EXHIBITIONS FROM TIME TO TIME. ROBINSON SAID EXHIBITIONS CAN OPEN UP CHANNELS OF COMMUNICATION/SEE WHAT THERE IS TO BUY, WHAT THERE IS TO BE BOUGHT. HE NOTED THAT THERE ARE POTENTIALLY LARGE MRKTS ON BOTH SIDES. SAID ALTHO THIS WAS EXPLORATORY MISSION, IT HAS PROVED BENEFICIAL FOR FUTURE TRADE ON NYC'S PART BECAUSE CHINESE

STRESSED "YOU HAVE TO GET TO KNOW EACH OTHER FIRST BEFORE STARTING TRADE." ON PROSPECT OF SINO-US TRADE VOLUME THIS YR, ROBINSON FORECAST TWICE THAT OF PREVIOUS YR, BECAUSE OF EXCHANGE OF MORE PEOPLE/MORE GOODS (JOC).

CHITRIB'S LONGWORTH REVIEWS SZUPROWICZS' BOOK, "DOING BUSINESS WITH THE PEOPLE'S REPUBLIC OF CHINA." SAYS "CAREFUL, TRIAL-BLAZING BOOK MAKES CLEAR THERE'S MORE TO DOING BUSINESS WITH CHINA THAN JUST HANGING OUT A SHINGLE." CONTENDS BOOK'S GREATEST VALUE IS IN SHOWING FON BUSINESSMEN WHERE MRKTS ARE. REPORTS AUTHORS' CONCLUSION THAT WHETHER PEKING CAN PAY FOR WHAT IT NEEDS FROM ABROAD DEPENDS LARGELY ON PRC'S ABILITY TO EXPORT FOOD/TEXTILES/OIL--ALL ITEMS IN OVERSUPPLY ON WORLD MRKTS NOW.

11. INDOCHINA REFUGEES

TIME-LIFE'S DEVOSS DESCRIBES REFUGEES AS VICTIMS, NOT ONLY OF REGIMES THEY FLEE, BUT OF ESCAPE BROKERS/BORDER GUARDS/ PIRATES/NAVAL PATROLS AS WELL. SAYS ALTHO REFUGEE CAMPS WILL PROBABLY BE LESS CROWDED BY YR'S END BECAUSE OF US/ AUSTRALIAN/FRENCH AGREEMENTS TO ACCEPT MORE, ONLY UNCERTAINTY IS WHETHER SPACES WILL BE FILLED BY NEW UNCLASSIFIED

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INFLUX (WSTAR 6/20). VANCE

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